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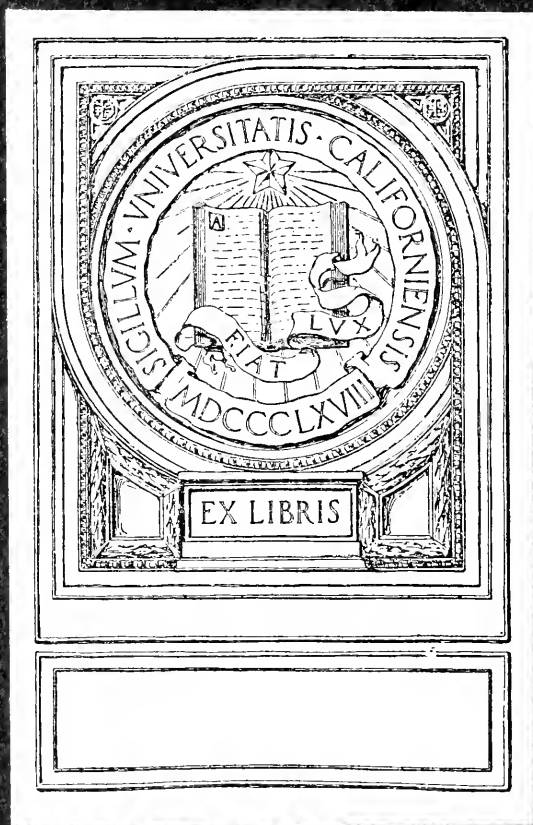
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THREE YEARS OF THE CZECHOSLOVAK REPUBLIC.

A SURVEY OF ITS PROGRESS AND ACHIEVEMENTS.

By ALEŠ BROŽ.

PUBLISHED BY THE "ORBIS"
PRINTING, PUBLISHING AND NEWSPAPER CO.

PRAGUE 1921.

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I. THE DAWN OF LIBERTY.

The greatest mistake the Czechs ever committed was the election of the Habsburgs to the throne of Bohemia in 1526. Indeed, from this year dates the tragedy of Bohemia. Bohemia then became united, as a fully independent State, with Austria and Hungary against the Turkish peril. Very soon, however, the Habsburgs, who were German and Catholic while Bohemia was Slav and Protestant, began to suppress the religious and national liberties which by oath they had undertaken to respect. This led to the Czech revolution, which in 1620 ended in the complete subjugation of Bohemia by the Habsburgs. Czech leaders were executed, their property confiscated and given over to the henchmen of the Habsburgs, and all the intellectual classes were sent into exile, so that only the peasants remained.

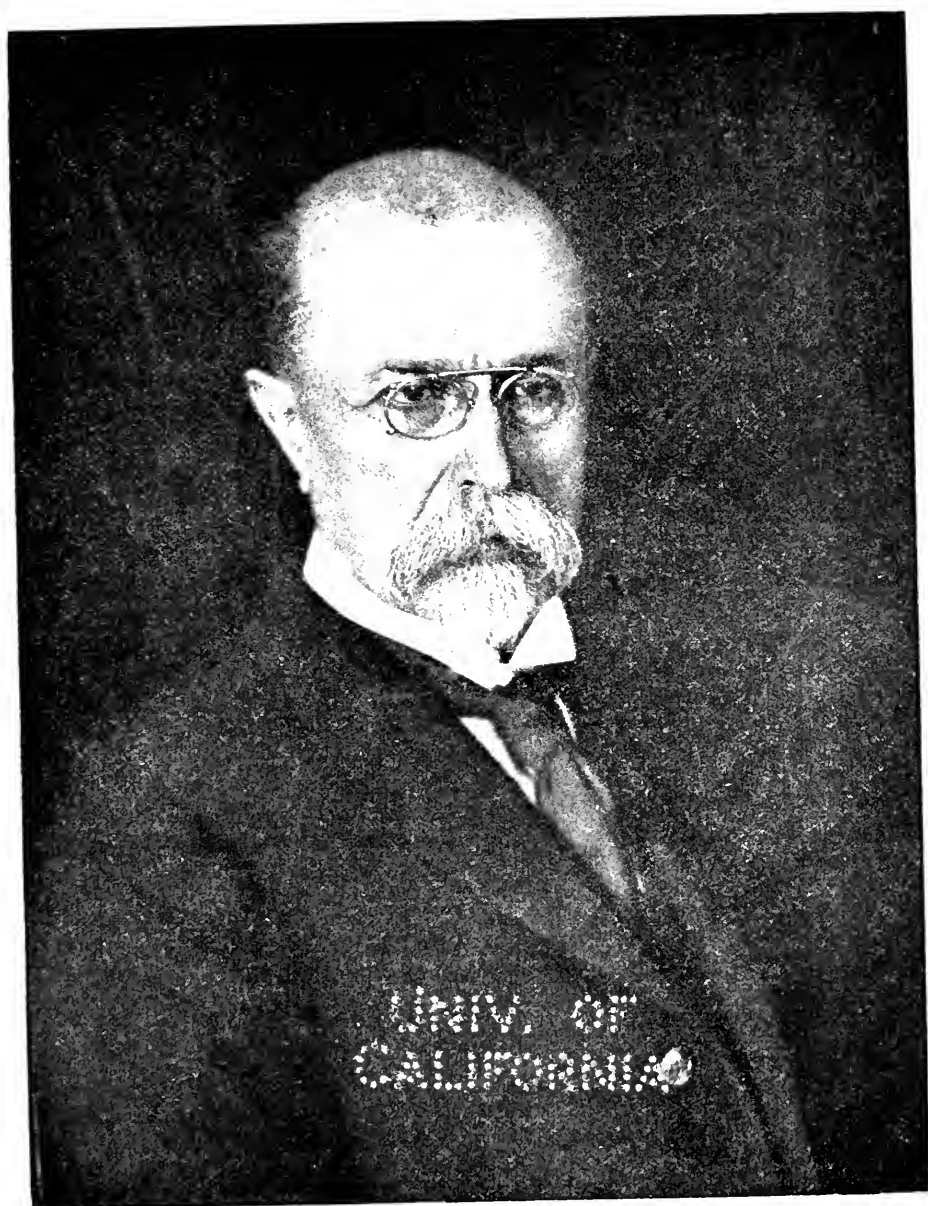
A couple of centuries passed, and it seemed as if the Czechs had been finally absorbed and lost their nationality. Indeed, they were looked upon as non-existent, for the Czech language, customs and traditions were maintained only by peasants, and the enemies of the Czechs rejoiced, believing the Czech nation to be dead. In this, however, they were mistaken. The French ideas of liberty, equality and fraternity awakened fresh hopes in the hearts of the down-trodden Czech peasants, and the nineteenth century saw the rebirth of the Czechoslovak nation. This remarkable revival on the part of the Czechs was at first purely literary, and it was not until the forties that it became political. But as soon as the revived Czech national movement assumed a political character it was directed against the German and Magyar domination. Czech leaders, from Havlíček and Palacký to Kramář and Masaryk, all strove to reform Austria on a federal basis of justice to all the peoples inhabiting the Habsburg Empire. But it was in vain. The Habsburgs and their satellites wanted Austria to remain a German State.

When the Great War broke out, the Czechoslovaks realised their chance of achieving their long-cherished hope of liberation from the Habsburg rule to which they had been subjected for three hundred years. Their position was truly tragic. Conscripted in the Austro-Hungarian Army, the Czechoslovak soldiers had to fight against their brother Slavs, the Russians and Serbians, for a cause which they detested from the

bottom of their hearts. The Czechoslovaks revolted. Their leaders refused to make any declaration of loyalty to either Austria or Hungary, and were imprisoned and even sentenced to death. The Czechoslovak soldiers refused to march, and surrendered whenever opportunity offered itself. The formation of the Czechoslovak army in Russia and its successes is the most interesting chapter in the Czechoslovak movement for independence. This army showed its valour during Kerensky's offensive in July, 1917, in which it was only the Czechoslovaks who really fought. At the battle of Zborov they took over 4,000 prisoners and a large quantity of material. General Brusiloff himself could not conceal his admiration of their achievement when he said in his official communiqué that "the Czechoslovaks fought in such a way that the world ought to fall on its knees before them". Further military successes of the Czechoslovaks, by which they rendered such valuable service to the Allied cause did not remain without deep appreciation from the Allies. Mr. Lloyd George in a telegram to President Masaryk on September 12, 1918, declared that the story of the adventures and triumphs of this small army was indeed one of the greatest epics of history. "It has filled us all," Mr. Lloyd George telegraphed, "with admiration for the courage, persistence and self-control of your countrymen; and shows what can be done to triumph over time, distance, and lack of material resources by those holding the spirit of freedom in their hearts. Your nation has rendered inestimable service to Russia and to the Allies in their struggle to free the world from despotism. We shall never forget it."

On October 28, 1918, the great day of liberation, so long awaited, dawned at last. On this day the prophesy of Comenius that the Government of the Czech nation would come again into the hands of the Czechs was fulfilled. The Austrian Government, at the last moment, tried to maintain the integrity of the Monarchy by declaring its intention to reconstruct the Monarchy on a federal basis. But it was too late, for Austria-Hungary existed no longer. Her unwilling partners, the Czechoslovaks, Jugoslavs, Rumanians, Poles and Italians declared their independence, or joined their co-nationals in the neighbouring States.

When the National Council of Prague took over the Government of the Czechoslovak territories, it was temporarily entrusted with the administration of the State. But although it performed its functions admirably and was generally recognised as the highest legislative body, yet it was necessary to establish as soon as possible a regular Government. Consequently the National Council at once made preparations for an early convocation of the Constituent National Assembly, and a formation of a regular Government. General elections could not be held for many practical reasons, and consequently, as the result of an agreement between the representatives of the political parties, the members



T. G. MASARYK.

of the Assembly were nominated by existing political parties. The Bohemian Germans were also invited to send their representatives to the Assembly, but they refused to do so until they knew how they stood as regards their citizenship, i. e. until the Peace Treaties were signed. Thus the Constituent Assembly was composed exclusively of Czechs and Slovaks who founded the State.

All Czech and Slovak political parties agreed that, in view of the unsettled times, there should be a Government of National Concentration, and they appointed their most influential and trustworthy leaders to the Ministerial posts. The Constituent National Assembly met for the first time on November 14, 1918, in the historical building of the former Bohemian Diet in Prague. Dr. Kramář, the first Czechoslovak Prime Minister, in his historical opening speech, declared amid great enthusiasm that all ties which bound the Czechoslovak Nation to the Habsburg Dynasty were broken, that the Czechoslovak State was henceforth a democratic Republic, and Professor T. G. Masaryk its first President.

Thus the Czechoslovak Republic was born, and free and independent it entered the society of European nations.

II. THE LEADER OF THE NATION.

In the Czechoslovak movement for independence no man took a greater share than Thomas G. Masaryk, the first President of the Czechoslovak Republic. He is the Czechoslovak George Washington, the liberator of the nation and the creator of the new State. He won a unique place among the figures of the Great War because although he staked everything upon a cause which was little understood abroad, and too often regarded as a hopeless adventure, he succeeded.

But Masaryk had a distinguished career and a great political and scientific reputation already before the war. Born on March 7, 1850, in a small town called Hodonín, in Moravia, he first attended the elementary schools, and was then apprenticed to a blacksmith. He left the forge, however, to study, first in the secondary schools, and then at the Universities of Vienna and Leipzig. At the age of twenty-nine he became a lecturer on philosophy at the University of Vienna, and three years later he accepted the professorship of philosophy at the Czech University at Prague, where his arrival marked the beginning of new currents of philosophical thought. It signified an emancipation from the German philosophy of Kant, and the adhesion to the French and the English empiric, positivist and evolutionist theories of Hume, Mill, Comte and Spencer. Masaryk's scientific reputation was established by studies on theoretical sociology. From this period dates one of his most interesting

books entitled "Suicide as a Pathological Symptom of Modern European Conditions".

In 1891 Masaryk took part in Czech politics, having been elected deputy to the former Austrian Reichsrat, and he soon assumed a leading place in political life. Two years later, however, he resigned from the Reichsrat, and devoted himself to studies on the Czech, Slavonic and social matters, writing a book on the Czech question and a standard work on Russia. In his book on Russia, which has been translated also into English, he criticised the former Tsarist régime in such a way that the circulation of this book was forbidden in Russia.

In 1907 Masaryk was re-elected to the Reichsrat as leader of the "Realist" Party, which he had in the meantime founded. At this time he already saw clearly the course which Austrian politics had taken, and the end to which it must sooner or later come. He protested against the Austrian annexation of Bosnia and Herzegovina, and he denounced the crimes and the baseness of the policy with which the Habsburg Monarchy tried to justify its proceedings against the Serbs. He greatly contributed to the discovery of false documents on the evidence of which the Imperial Austrian Government had based its Balkan policy, and had organised the infamous Agram trial and the subsequent trial of Dr. Friedjung at Vienna. Masaryk proved that these documents were forged at the Austro-Hungarian legation in Belgrade under full responsibility of the then Austrian Minister to Serbia, Count Forgach, who, by the way, was one of the authors of the Austrian ultimatum to Serbia in July, 1914.

Soon after the outbreak of the Great War, Masaryk fully realised the whole state of affairs. Austria-Hungary, the willing tool of Germany's push towards the East, attacked Serbia in order to crush, together with her, the Slav opposition within the boundaries of the Monarchy. Foreseeing all further events that were to come, he decided to proceed abroad in order to take sides with the Allies. The Czech soldiers who refused to fight for Austria showed him, as Masaryk himself declared, the way how to make a revolution. Thus it happened that Masaryk, the philosopher and humanitarian, became, when nearing seventy, the leader of the Czechoslovak movement for independence, and the Commander-in-Chief of the Czechoslovak Army.

In 1915 Masaryk came to London where he was appointed professor at King's College. Here he began to work, at first in the circle of his personal friends, R. W. Seton-Watson, H. W. Steed and others, penetrating later on into English political spheres. He contributed many articles to the English Press, exposing the dangers of the Pan-German scheme of Central and Eastern Europe. These activities of Masaryk so much displeased the Austrian Government, that in his absence it condemned him to death.

Not long after the Russian revolution had broken out, Masaryk went

to Russia, and it is due to him that the Czechoslovak army there was organised so as not only to make the Czechoslovak name well-known, but to render great services to the Allies. When, however, Masaryk saw how Russia was torn by the Bolshevik revolution, he decided to leave Russia and to go with the Czechoslovak army to France to fight against the Germans. But in the meantime conditions changed completely, and the army had to remain in Russia. Masaryk, risking his life several times, nevertheless left and went through Siberia and Japan to America, where he rendered great services to his nation at the very time when decisions were being taken about its destiny.

After the proclamation of Czechoslovak independence, Masaryk was elected by the National Assembly on November 14, 1918, as the first President of the Czechoslovak Republic. His work abroad won for him the infinite gratitude of the whole nation, that loves and reveres him as the personification of all for which it fought and suffered.

III. THE MAKING OF THE STATE.

Post-war conditions are not a favourable period for the birth of a State. Many long established States possessing great economic resources, are confronted nevertheless by post-war difficulties. It is therefore not surprising that Czechoslovakia, a State founded under the most adverse conditions, has had enormous obstacles to overcome.

It is from this point of view we should look upon the progress and achievements of the Czechoslovak Republic. The Republic, indeed, has had no easy task in consolidating its newly regained freedom and independence, for there were great political, administrative and economic difficulties confronting the new State. It had neither soldiers, administration, financial means, nor properly defined territory, and had to establish itself while under occupation by hostile German and Magyar soldiers, and while the population was almost starving through the lack of all vital necessities. Moreover, these difficulties were rendered more acute by insufficient means of transport. The economic difficulties were also very great, for the Austrian Government acted in accordance with the statement of Count Clam Martinitz that, should ever Austria be compelled to give up the Czech lands, it would surrender them only as corpses. And, indeed, it was in this condition that the Czech lands were left at the moment of Austria's collapse. Czech agriculture was brought to a standstill, Czech industries were also systematically ruined, through a variety of requisitions, and Czech commerce was in no better case.

Under such circumstances the greatest efforts were needed to set up the newly constituted State on a firm foundation. The Czechoslovaks

proved equal to the task, they have overcome all difficulties, and successfully piloted their State through the most dangerous period. And it should be remembered that, especially during the first year of Czechoslovakia's existence, chaos and anarchy prevailed in all the adjacent countries. In Hungary Bolshevism was rampant while in Germany the Spartacists were making supreme efforts to get into power.

It was owing to the thoroughly democratic spirit of the Czechoslovak parties that Czechoslovakia was spared those social upheavals which took place all round. The National Assembly proceeded at once to deal with great social reforms in order to re-adjust social differences. A legal eight hour working day was introduced. Then followed the great Agrarian Reform which constituted one of the most urgent questions since the establishment of independence. Almost a third of all cultivated land was in the hands of large landowners whose families had acquired it in return for their service rendered to the Habsburgs in helping to suppress the Czech rebellion of 1620. The passing of the Land Reform Bill on April 16th, 1919, through which the land thus acquired again became the property of the nation, was consequently of great national importance. Its object was to abolish the large estates having thousands of acres, while there are hundreds of thousands of people, wishing to work on their own land, but who do not possess any land at all.

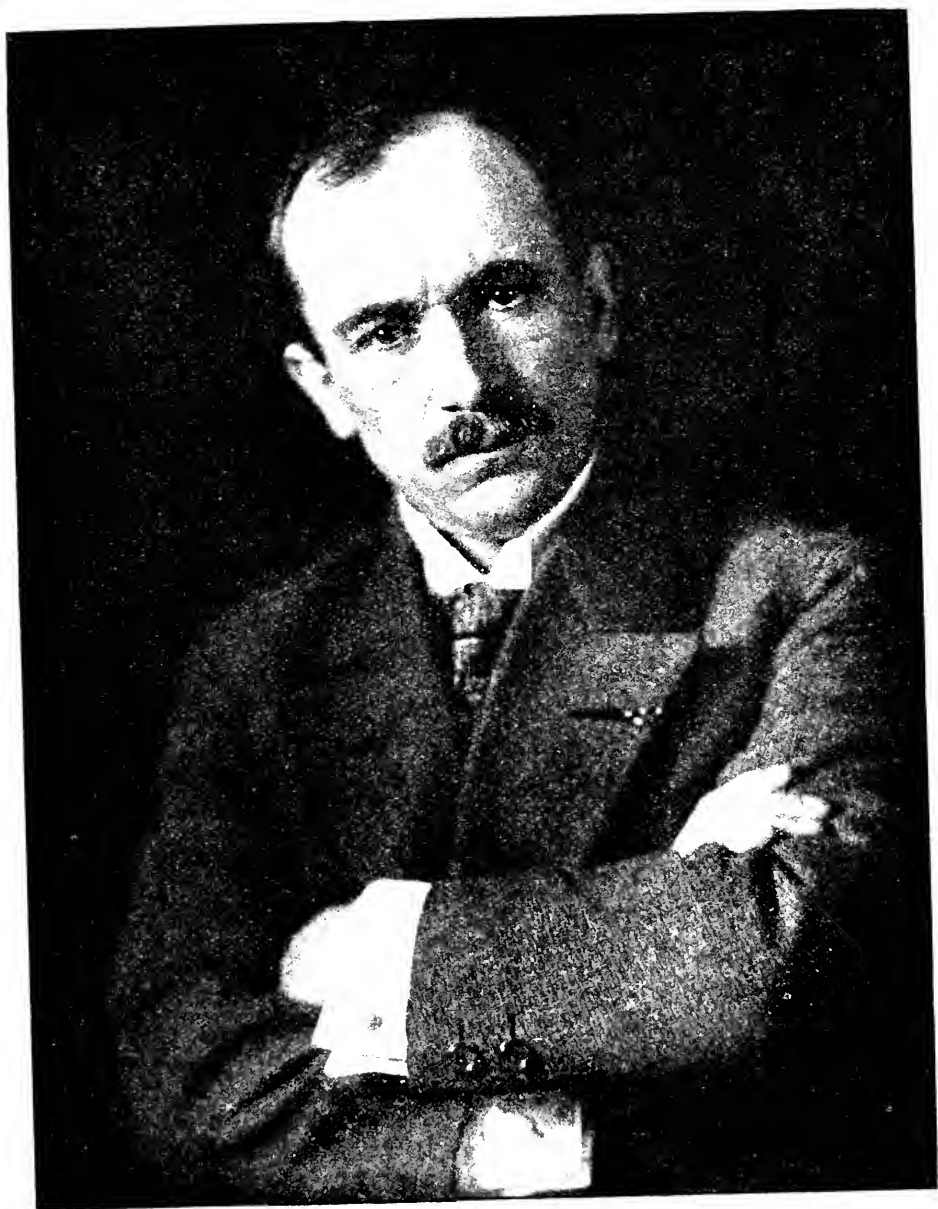
The area of the land which the State has taken over in accordance with this legal enactment is about seventeen thousand square miles. The Bill, of course, was of a declaratory nature, providing a framework for future measures. It was supplemented by a series of administrative laws dealing with the distribution of the land, and the payment of compensation to the owners.

The distribution of land proceeds as follows: Land is allotted

1. to small holders, to the owners of small industrial concerns, to disabled soldiers, and to legionaries and their dependents;
2. to co-operative associations;
3. for the erection of dwellings, workshops and factories;
4. to municipalities, to public associations, and to scientific institutions, etc.

The land office has fixed the area of separate plots at six, ten or fifteen hectares, whichever may be adequate according to the value and quality of the soil. Associations receive, as a maximum, enough land to enable each member to obtain one of these portions.

Like all other European Governments, the Czechoslovak Government, too, has had to liquidate the unfortunate heritage of the war, and wipe out the deplorable destruction, both material and moral, which it caused, and it is well aware that this task must be accomplished methodically and by stages. The most urgent of all the problems last year was the



Dr. ED. BENEŠ.



food problem. In this connection it should be mentioned that the Czechoslovak Government has elaborated a complete scheme for a food supply, planned so as to provide the whole population with food for a year. For that purpose it was necessary, not merely to set up a detailed organisation, but also to cope with all the difficulties of transport, and to create a well-regulated financial system. If we glance at the efforts hitherto made by the Czechoslovak Government and the legislative organs, we discover that economic problems are becoming more and more important as compared with purely political problems. The causes of all the conflicts which threatened to develop into political crises during the last two years were divergencies of opinion on the food question, which for some time to come will occupy the attention of the Government.

The constitution passed on November 29th, is dealt with elsewhere. Another important measure was the passing of the Bill for the purpose of authorising a levy on capital. Capital below 10,000 crowns was exempted from this levy. Up to 20,000 crowns a levy of 1 per cent is made, to 100,000 crowns 3 per cent, and then the levy proceeds up to 11 per cent for capital amounting to 900,000 crowns, and reaches 30 per cent for amounts exceeding 10,000,000 crowns.

The elections, which took place on April 18th and 25th 1920, on the basis of the new Franchise Act, marked a new stage in the political development of the Republic. The task of the first National Assembly which arose from the Czechoslovak Revolution of October 28th, 1918, was to consolidate the newly established State and to elaborate the constitution. This task having been accomplished, the Assembly terminated its work on April 15th 1920 in order to be replaced by a new legislative body. The elections were held on the basis of universal suffrage for both sexes, and the results were as follows:

Czech and Slovak parties:

Social Democrats (including 22 Communists)	74	seats
Agrarians	40	„
People's Party (Clericals)	33	„
National Socialists	24	„
National Democrats	19	„
Traders' Party	6	„
Progressive Socialists	3	„
Total	199	

German parties:

Social Democrats	31
Other Parties	41
	<u>72</u>

Magyar parties :

Social Democrats	4
Others	<u>6</u>
Total	10

Unoccupied seats :

Teschen	5
Carpathian Ruthenia	9
Legionaries	4
Hlutchin	<u>1</u>
Total	19

Thus, when the unoccupied seats are filled, the total number of the Czechs and Slovaks in the new Parliament will amount to over 200 comprising more than two-thirds of the total number. The most striking results, however, were obtained in Slovakia, where the Slovak Social Democrats who are in favour of complete union with the Czechs secured 22 seats. Till these elections took place, Slovakia was a *Terra incognita* to the outside world. The Magyars, especially Count Apponyi, alleged that it was not certain whether the Slovaks wanted union with the Czechs. The elections, however, dispelled all possible doubts as to the attitude of the Slovaks, over two-thirds of whom voted for a complete union with the Czechs.

The electoral success of the Social Democrats enabled them to play a very important part in the development of the Republic. It would be impossible for a Government to exist without the support of the Socialists, while, on the other hand, the Socialists alone are not able to form a Government which would have a sufficient majority in Parliament, and thus a coalition with other parties appeared to be necessary.

It was not anticipated that the new Czechoslovak Parliament, which came into existence as a result of the elections of April 1920, would have an untroubled existence. There were fears that an assembly consisting of 199 Czech and Slovak deputies, 72 Germans and 10 Magyars, would become the scene of racial antagonism. But now after the new Czechoslovak Parliament has concluded the three years of its activity, it is evident that the above-mentioned fears were not justified.

The Czechoslovak revolution of October 28th, 1918, disposed of the old German privileges and put an end to the former German hegemony. In order to parry this blow, the Germans at first adopted a negative attitude towards the Czechoslovak State. But after the legislative elections, which were based upon a thoroughly democratic electoral system, assuring full representation to national minorities, the Germans abandoned their negative attitude, although they have not entirely laid aside the nationalist principles of their policy. They have taken the oath of alle-

giance in both Chambers, moved amendments, and demanded their admission to the highest administrative services. Moreover, all the German deputies have declared explicitly that they take their stand upon the basis of the Czechoslovak State, and expressed their willingness, especially the Socialist deputies, to co-operate with the Czechs. It is beyond doubt that economic and social interests will more and more withhold the Germans from their present parliamentary opposition, and lead them to participate in positive and creative labour.

In September, 1920, the coalition Government of M. Tusar resigned. This resignation was made inevitable by the differences existing in the Social Democratic party between its left wing and its moderate right wing, the result of which was the foundation of the communist party.

The crisis which thus arose was the climax of a long clarifying process which has been proceeding in all political parties, especially in the Socialist parties. It was long expected, and was in fact, welcomed as the necessary preliminary to the straightening of the internal political conditions.

The Cabinet which followed is still in office. It is a non-political Cabinet of official administrators, at the head of which is Dr. Černý. At the time of writing (September 1921) it is assumed, however, that this Government of official administrators and experts, which for over a year directed the destinies of the State has now fulfilled its task, and that the political conditions are ripe for the constitution of a new Government composed of members of the existing political parties. Until quite recently there was no firm basis upon which the parties could agree and constitute a Party Government, but this lack of agreement appears now to have been overcome. It is expected that the Socialists, Agrarians, National Democrats and Catholics will agree upon a common political programme, and that they will form a regular coalition Government. The difficulties in forming a natural and strong parliamentary majority are in Czechoslovakia perhaps greater than anywhere else. The Communists and the German Nationalists, in view of their intransigent attitude towards the State, are beforehand holding aloof from any participation in a coalition Government. Thus, for the time being, the new Czechoslovak Government will have to be composed of the Czech and Slovak parties exclusively.

M. Švehla the former Minister of the Interior, and the leader of the Agrarian Party, is spoken of as the future Prime Minister, while Dr. Černý, the present Premier and Minister of the Interior, will probably retain his post as the Minister of the Interior. Dr. Beneš will, of course, again direct the course of Czechoslovak foreign policy.

IV. THE CONSTITUTION.

The constitution framed and passed by the first National Assembly of the Czechoslovak Republic on February 29, 1920 is one of the most democratic in the world. The whole enactment is permeated with the idea of giving expression to the principle of its first paragraph, namely, that the people is the one and only source of all State authority. An exclusively republican form of government, with an elected president at the head, has therefore been chosen. All its regulations aim at securing the expression of the people's will, not only in the legislative body but even, if necessary, against the Cabinet and against the President, so that neither Government nor President shall be able by any procedure aimed against Parliament, to act against the will of the majority of the people. The Constitution secures full rights for the racial minorities, but it nevertheless seeks to protect the majority of the legislative body, in particular the Lower House (the Chamber of Deputies), both from a coup d'état from above, as well as against obstacles which might be placed in its way by a minority.

The two-chamber system was adopted after a severe struggle between the National Democrats and the Social Democrats. The legislative body (the National Assembly) consists of a Lower House (the Chamber of Deputies) with 300 members, and an Upper House (the Senate), with 150 members. Both chambers, however, are set up on a purely democratic basis. The distinction between the two chambers lies in the qualifications necessary for candidates and voters respectively. Thus, for elections to the Chamber of Deputies the franchise is granted to every citizen, irrespective of sex, who has attained the age of twenty-one. For the Senate the corresponding age is twenty-six. Eligibility to the Chamber of Deputies begins at thirty; to the Senate at forty-five. The Chamber of Deputies is elected for six years, the Senate for eight. Hence, although the Senate is elected on a democratic basis, the Constitution avoids creating two Chambers endowed with equal rights which might paralyse each other's work, and hamper the normal course of legislation and control. It has therefore laid greater stress on the Chamber of Deputies, merely making the Senate an organ whose function it is to check and control. All measures passed by the Chamber of Deputies are presented to the Senate, which enjoys the right of initiating legislative proposals and voting on Bills which the Government may first submit to it. Provision has further been made to prevent the Senate from frustrating the decisions of the Lower House and to prevent Bills, passed by the Senate alone, from becoming law unless assented to by the Chamber of Deputies. On this point the rights of the Chamber of Deputies are much superior to those of the Senate. If a Bill passed by the Chamber of De-

puties is not assented to, or is not rejected by the Senate within six weeks, or in the case of the Budget and Army Bills, within one month, the Senate is considered to have agreed to it. The Chamber of Deputies on its part is allowed three months to consider Bills passed by the Senate. If the Senate by a simple majority rejects a Bill passed by the Chamber of Deputies, the Bill nevertheless becomes law if the Chamber of Deputies confirms it in its original form by a majority of one half of the House. If, however, the Senate rejects by a three-fourths majority a Bill passed by the Chamber of Deputies, a three-fifths majority of the entire Lower House is necessary for confirming the Bill and making it law. On the other hand, Bills emanating from the Senate, which have been rejected by the Chamber of Deputies cannot become law against the will of the latter, and are to be re-introduced into the Senate and from thence again submitted to the Chamber of Deputies. Should the Chamber of Deputies once more reject it, the Bill is lost.

Similarly, the rights enjoyed by the President and the Government as against the House of Deputies are strictly defined and limited. The President is elected at a joint session of the Chamber of Deputies and the Senate and by a three-fifths majority for a period of seven years. He cannot be impeached, but the counter-signature of a member of the Government is necessary for all his State acts. The President appoints the Ministers, but he cannot do so against the will of the Chamber of Deputies, for this House, unlike the Senate, can, by a simple majority of its members pass a vote of lack of confidence against the Government, upon which it is the duty of the Government to resign. In view of this fact no provision has been inserted in the Charter of the Constitution for the impeachment of the President.

The President has the right to convene Parliament. He is indeed bound to do so twice a year — in March and in October, besides which he may summon extraordinary sessions. He has also the right to adjourn and prorogue Parliament. He can, however, prorogue Parliament for not longer than a month and only once a year. In order to ensure that no adjournment shall take place against the will of the majority, the Constitution provides that on the petition of a majority of members the President is bound within fourteen days to cause Parliament to re-assemble, and should he fail to do so, the two Houses may assemble within a further fourteen days on the summons of their respective Speakers. Should the President dissolve Parliament, he cannot thereby bring about a lengthy cessation of Parliamentary government, for a general election must take place within sixty days.

The President has the right to veto Bills, but his veto has only the power of postponement. Such vetoed Bills may be re-introduced into Parliament and if then passed by a majority of all members, voting by

name, they become law. If the Chamber of Deputies alone passes such a vetoed Bill it becomes law, provided a three-fifths majority supports it; so that against a three-fifths majority of the entire membership of the Lower House neither President nor Senate can prevent certain measures from being placed on the statute-book.

To prevent the President from concentrating the whole power of government in his own hands, he is not to be elected for more than two periods of office, each extending to seven years. Only for the first President, President Masaryk, has an exception been made. Provision is also made for the period during which Parliament is not sitting, whether it be prorogued or dissolved, with the object of making it impossible for the Government to be left without parliamentary control. A permanent Commission of twenty-four members, sixteen from the Chamber of Deputies and eight from the Senate, shall sit with power of control over the Government and the Executive. This Commission may also make urgent legal regulations, but may not impose new permanent obligations on the people, such as extending the obligation of military service, permanently adding to the financial burdens of the State, or alienating its property.

In order to declare war, the President requires the previous consent of Parliament, and this consent must be given by a three-fifths majority of all members.

The Referendum is also — in a restricted form — provided for in the Constitution. A Referendum can take place only on the proposal of the Government, and only if Parliament rejects a Government Bill. Every citizen, irrespective of sex, who has attained the age of twenty-one can vote. The Government has thus a means, should both Chambers refuse consent to its proposals, of appealing directly to the people without being compelled, for the sake of a single question, to dissolve Parliament.

The decisions of Parliament require generally a simple majority. Only for declaring war or for amending the Constitution is a three-fifths majority of all members necessary. This rule differs from those laid down in other constitutions, even in those where, as a rule, the presence of two-thirds of the members and a two-thirds majority are essential. In these cases a minority of one-third is able to frustrate any amendment of the Constitution by simply absenting themselves. According to the Czechoslovak Constitution only a minority of two-fifths is able to frustrate an amendment by simple abstention. On the other hand a mere chance division cannot carry any amendment, since in order to fulfil the condition demanding a three-fifths majority of all members, the presence of at least three-fifths of the whole Parliament is essential.

The Charter of Constitution also lays down rules relating to the

powers of the Judiciary and the common rights of citizens, especially the rights of religions and racial minorities. These provisions follow exactly the terms of the Peace Treaty (paragraphs 128 to 133). A special feature, however, is the final paragraph of the Constitution making unlawful any and every manner of forcible "denationalisation" — that is, pressure directed towards alienating citizens from their inheritance of race and language, whatever that race or language be.

Together with the Charter of the Constitution, a Franchise Bill became law. It not only has a thoroughly democratic basis, but is absolutely impartial and just to all ranks and all races. It is based on the system of Proportional Representation, so that every minority is represented in Parliament in proportion to its numerical strength.

The electoral districts contain 500,000 to 1 million inhabitants. To obviate the injustice which, at a first count necessarily arises from the technicalities involved in the system of Proportional Representation, the Franchise rules provide for a second and third scrutiny. The votes which remain over from the first scrutiny are counted in such a way that all the scattered remnants of votes throughout the Republic given to any one party, are added together and additional seats are allotted at the second and third scrutinies to that party, in proportion to the sum total of such votes. Each party nominates its candidates for the second scrutiny from the ranks of those candidates who proved unsuccessful at the first count. This is an absolutely novel plan, both progressive and democratic, and secures the fairest possible apportionment of seats.

A special Franchise Court sits to decide the validity of elections, while a special Constitutional Court judges whether laws which are passed by the Parliament are in conformity with the Constitution.

Further, there was passed together with the Charter of Constitution a Bill dealing with the division of the Republic into "župy", administrative districts or counties. There are twenty-two of them. Each county embraces 511,000 to 700,000 inhabitants and at its head stands the "župan", a state official chosen by election.

V. THE GERMAN MINORITY.

Out of the thirteen and a half million of the population of Czechoslovakia, there are about three million Germans and half a million Magyars. A census was taken in February last, but, at the time of writing, the figures of the racial division have not yet been published. The above estimates, however, may be considered as fairly accurate. It is obvious that this German minority is of considerable importance,

and its treatment constitutes a test case for the Czechoslovak statesmanship.

When the Peace Conference recognised the integrity of the ancient Czech territories, only a section of the Bohemian Germans did actually protest, while the majority of them were apparently content with their lot. Apart from a few chauvinists, the Bohemian Germans were shrewd enough to think in economic terms. They were well aware of the economic advantages accruing to them as citizens of Czechoslovakia. The Northern Bohemian industries would be almost ruined if incorporated into Germany, and this was why a good many Bohemian Germans preferred to remain citizens of Czechoslovakia.

In the old Austrian Empire the Czechs were able to obtain the most rudimentary measures of national freedom only after many years of severe struggles. As for the Slovaks, the extent to which they were oppressed by Magyars passes the bounds of imagination. But on regaining its liberty, the Czechoslovak people spared its former oppressors any retribution they may have deserved for their past actions. On the contrary, the Czechoslovaks from the very beginning adopted an attitude of reconciliation towards the German and Magyar minority. They have granted them as many rights as they themselves have. The Czechoslovak Constitution makes no difference between the races living within the Republic. In certain cases, particularly as regards the number of schools, the Germans are in a privileged position. They have about 3300 primary schools, 80 secondary schools, two higher technical schools and one University. In Bohemia and Moravia the Germans have 23 gymnasiums (grammar schools) and the Czechs 28, although the racial proportion is 3 : 7. If there is any injustice here, surely it is not to the detriment of the Germans, but to that of the Czechs.

Yet some of the German nationalists, who only a short time since were openly expressing their desire to annihilate the Czech people, are complaining of "oppression". They especially complain that some German schools have been closed and given over to the use of Czech children. This is undoubtedly true, but the reason why this was done is that no German children attended them. In many towns there were no schools for Czech children at all during the Austrian régime. Since the overthrow of the Austrian régime, however, Czech schools have been established in these towns, and Czech children, who up to then had to attend German schools, went to the Czech schools, and the German schools remaining empty, naturally had to be closed. There were cases where German schools had only two or three children, for whom a whole school obviously cannot be maintained.

Another complaint of the Germans is directed against the law concerning the Austrian War Loans. In accordance with the Peace Treaty,

the Czechoslovak Republic has the right to repudiate the Austrian and Hungarian War Loans, but it offered the holders of these loans, who for the greater part are Germans, 75 crowns in the Czech State Loan, at the rate of $3\frac{1}{2}$ per cent, for every 100 crowns they had subscribed to the former war loans. At the same time they were called upon to contribute 75 Czech crowns in cash to the new Czech Loan bringing in $5\frac{1}{2}$ per cent, for each 100 crowns of their previous holding. The Germans, however, will not subscribe to this new Czechoslovak Loan, and demand a payment of 100 Czech crowns in the loan at $5\frac{1}{2}$ per cent for every 100 crowns they hold in the war loans. These demands are totally unreasonable, and if complied with, they would prove disastrous to the Czechoslovak finances. In Austria the amount given for 100 crowns in the Austrian War Loan is only 100 crowns in the Austrian State Loan at $5\frac{1}{2}$ per cent, and 100 Austrian crowns are worth scarcely 20 Czechoslovak crowns. Hence the interest of $5\frac{1}{2}$ per cent on the Austrian Loan is scarcely more than 1 per cent on the Czech Loan. It will thus be seen that the Czechoslovak State is paying the German holders of Austrian War Loan nearly four times the value of the loan they hold, and three times as much as these loans are fetching in Austria. An endeavour is being made to introduce the Austrian War Loan on to Czechoslovak territory, but none the less the Germans in Czechoslovakia continue to complain that they are being robbed by the Czechoslovak authorities, while in reality everything has been done in their interest to gain their sympathies for the Czechoslovak Republic.

However the, conciliatory policy of the Czechs has met with no response from those German circles which are under the influence of Pan-German ideas. While certain of the German politicians showed themselves disposed to fall in with the new order of things, the Pan-Germans such as Dr. Lodgman and others have not ceased to agitate against the Republic. It seems as if the German nationalists regarded equality of rights which they have been granted as an injustice towards them, since they consider their only rights to be superior rights. They appear still to believe in their old idea of a "ruling nation". The agitation of the Pan-Germans has gone so far that in the middle of last year they attacked the Czechoslovak legionaries, several of whom were killed. This happened at Jihlava, a provincial town in Moravia. Since then, there have been repetitions of provocative acts on the part of the Pan-Germans. The agitators of Dr. Lodgmann's party have shown a preference for assembling round the statues of the former Austrian Emperor, Joseph II, which still exist in a number of towns, and from these meetings proceeded the inflammatory utterances against the Czechs and the uncompromising appeals to the spirit of revolt. Hence it was not surprising that the Czech inhabitants of these towns and the soldiers who were stationed there

have come to regard the statues of Joseph II as the most arrant symbols of Pan-Germanism. This explains why it was that the Czech soldiers have overthrown the statues of Joseph II at Teplice and Cheb.

Among the responsible Germans there is, however, a clear indication of eagerness for a peaceful co-operation. Several German deputies such as Křeppek and others expressed the desire on the part of the German inhabitants of the Republic for undisturbed labour and the need for terminating all racial hatred. In reply the Czech deputies assured the Germans that their loyal co-operation would be welcomed by the Czechs.

It will take some time before the racial antagonism will subside, and before the Germans and Magyars fully reconcile themselves with the new conditions. But sooner or later they will realise that the Czechoslovak Republic has come to stay, and that they have nothing to gain by their negative attitude. On the part of the Czechs, as we have said, there is a sincere willingness to come to terms with the Bohemian Germans, and President Masaryk especially is known to be anxious to bring about a peaceful co-operation between all the races inhabiting the Republic. There is no doubt that such a co-operation will take place when the racial animosities left by the war have become less acute.

VI. SLOVAKIA.

The present position of Slovakia deserves special attention. Many people readily believe the Magyar propagandists who assert that the Czechs consider Slovakia as an annexed province, that the Czechs have broken an agreement concluded at Pittsburg, in America, according to which Slovakia was to receive autonomy, that it is not certain whether the Slovaks wish to remain within the Czechoslovak State, etc.

It is, therefore, worth while to recall that neither the Czechs nor the Slovaks demanded independence for each of them separately; they demanded independence for the Czechoslovaks. All the Slovak local National Councils, to the number of over 100, which were formed after the military collapse of the Habsburg Empire, identified themselves with the declaration issued on October 30th by the Central Slovak National, to the effect that the Slovaks regarded themselves as an integral part of the Czechoslovak nation. In view of these facts it is, therefore, neither accurate nor just to say that the Czechs consider Slovakia as an annexed province, or that they deny the Slovaks their right to self-determination, for it is precisely because the Slovaks made use of their right to self-determination that they find themselves in the Czechoslovak State. Of course, there was no plebiscite, but to everyone who knows how the Czechs and Slovaks struggled and fought in union during the great war

in order to achieve their independence, it must be obvious that this was a sufficient proof of their will as regards their State allegiance. It is absurd to imagine that those who had recourse to arms in order to drive out their enemies, would be willing afterwards to revert to their old state of subjection.

As regards the so-called Pittsburg agreement, of which the Magyars are attempting to make capital in their agitation amongst the Slovaks, it is necessary to explain the circumstances under which it was concluded. This agreement or rather resolution was arrived at on October 18th, 1918, at a meeting of the representatives of the Slovaks in the United States, and it was signed also by President Masaryk, who at that time was in America. This resolution contained a scheme for the adjustment of the relationship between the Czechs and Slovaks. The Pittsburg resolution, however, contains no reference to the manner in which a suitable system of administration was to be ensured upon the territory of liberated Slovakia, the aim of the American Slovaks being to assure the future autonomous status of Slovakia within the Czechoslovak State.

Slovakia, however, actually possesses an autonomy, since she has a Minister plenipotentiary and decides about her own affairs. In accordance with the principles of the Constitution, the whole Republic is divided into 20 autonomous areas, 6 of which comprise Slovakia. These areas will be administered by the Slovaks themselves by means of autonomous bodies containing about 40 members, who will be elected by the votes of all citizens, irrespective of sex, on a system of proportional representation. These areas thus have all the attributes of democratic local autonomy. From the representative bodies of all the areas will be elected an administrative council for the whole of Slovakia, also by proportional representation. This council will be composed of 24 members, 8 of whom, under the presidency of the director of Slovak administration, will attend to the executive authority for Slovakia. Hence, the administrative autonomy of Slovakia is assured, on the one hand, by the legal terms of the Constitution, and on the other by actual practice.

Absolute political and legislative autonomy is not desired by the great majority of the Slovak people. Such autonomy would demand also financial autonomy, but Slovakia, plundered as it was by the former Magyar régime, is not financially self-supporting. A further reason why the majority of the Slovaks do not desire political autonomy is that they do not regard themselves as forming a subordinate minority in the State, but, on the contrary they wish to take an active part in the affairs of the whole State on an equal footing with the Czechs.

There is, however, a party in Slovakia, the so-called People's party, which, under the leadership of Father Hlinka, is endeavouring to obtain political autonomy. But this party is in the minority, and at the parli-

amentary elections in April 1919 it obtained only 231,000 votes out of a total of 1,000,060 Slovak votes. Yet even this party takes its stand unwaveringly upon the basis of the Czechoslovak Republic. Neither in the National Assembly nor in the Senate does it ever take action as an independent body, nor as an independent political club. Its 12 representatives are members of the "Political Club of the Czechoslovak People's Party", the chairman of which is Monseigneur Šrámek, a Czech, the vice-chairman being Father Hlinka. Indeed there is not a single Slovak who is in favour of separation from the Czechoslovak Republic.

Since being liberated from the Magyars, Slovakia has made great progress, especially as regards education. During the Magyar régime all schools, whether elementary, secondary or high schools, were in the hands of the Magyars. Properly speaking, there were no Slovak schools at all. With the exception of a few schools where the work was carried on by a handful of teachers who were evangelical for the greater part, the instruction was Magyar both in letter and spirit. After the liberation of Slovakia it was necessary to provide schools of a Slovak character, at least in those districts inhabited by Slovaks in compact masses. As the number of Slovak teachers was insufficient the work was carried on with the help of Czech educationalists. To-day, there are over four thousand elementary schools, over 50 secondary schools, together with commercial and technical institutes, and also the nucleus of a University at Bratislava. Moreover, 80 German schools have been established, where under the Magyar régime, there were none.

There can be no doubt that certain mistakes have been made, especially as regards the administration of Slovakia. Such mistakes, however, were bound to occur in view of the fact that the country had to be built up from nothing. Moreover, the whole of the system of administration, of justice, of food supplies, was different in Slovakia from that in the Czech regions. Owing to the lack of competent officials among the Slovaks, it was necessary to supply Slovakia with Czechs who were thoroughly efficient in their home duties, but who were bewildered when faced by administrative conditions entirely strange to them. Hence arose some dissatisfaction among the Slovaks. However, the agitation which has been carried against the Czechs in Slovakia is due mainly to unjust generalisations which have been drawn from isolated instances. It is, of course, true that some of the Czech officials were responsible for various blunders. The Czechs are mostly trained in a scientific direction, while the tendency of the Slovaks is a strongly religious one. The people in Slovakia are inclined to be devout in character, while the Czechs, owing to their Hussite traditions, are to a great extent freethinkers. This distinction, however, was not sufficiently recognised.

On the present territory of Slovakia there are about half a million

Magyars, while the Magyar State still contains about 350,000 Slovaks. An exact separation upon racial principles was not possible because, for the purposes of Magyarisation, the former Magyar State formed settlements of Magyars in the middle of non-Magyar regions. It was in this way that the Magyars have encroached upon the geographical territory of the Slovaks in the course of the last two hundred years.

Among the Magyar intellectuals in Slovakia there is certainly a desire to return to the Magyar régime. This desire is just as natural as the desire of the Slovaks in Hungary to come under the jurisdiction of Slovakia. It will perhaps be possible to eliminate these anomalies by means of mutual colonisation. Territorial changes, and considerable changes in the frontiers are hardly possible, since the present frontiers are possibly the only ones which are rational from a geographical point of view.

Slovakia, though much neglected by the Magyars, is a country with a very promising future. North Slovakia possess State-owned forests, the value of which is enormous. The country also contains a large number of spas and some of the most beautiful scenery in the world. When sufficient railway communication has been established Slovakia may become a second Switzerland. She has abundant supplies of ores, and her connection with the industrial district of Ostrava-Karvin, and the electrification by water-power will transform the country into one of the most industrial lands in Europe. Slovakia has not only the high Tatra mountains and the lovely Carpathians, but in the south she owns extensive plains with extremely rich soil, and this district is a real granary of the Czechoslovak Republic.

The whole of Slovakia will for a long time to come be in a state of transformation. Under the Magyar régime there were hardly any public inscriptions in the Slovak language; all were in Magyar. To-day the reverse is the case. In most of the Slovak towns, where under the Magyar régime one heard hardly a word of Slovak spoken in public, very little Magyar is now heard. The Slovaks have now their own public buildings, schools, courts, town halls, museums, etc. Of course, there is still much to be done, but the progress Slovakia has made during the last three years justifies the most optimistic hopes for the future.

VII. CARPATHIAN RUTHENIA.

The most eastern part of the Czechoslovak Republic constitutes a region which is called Carpathian Ruthenia. Up to the end of the war this region was under the Magyar Government, but by the Peace Treaties of St. Germain, and as the result of a free decision on the part

of its inhabitants, it was united with the Czechoslovak Republic. Carpathian Ruthenia contains ever half a million inhabitants, of which two-thirds are Ruthenians, and the rest are Magyars and Jews. The number of Magyars who have been left upon the territories of Slovakia and Carpathian Ruthenia, amounts to about 20 per cent. In fixing the frontiers it was impossible to adhere to ethnographical factors only, as economic and strategic conditions also had to be considered. For this reason the Danube was taken as the frontier of southern Slovakia from Bratislava past Komarno as far as Ostrihom, and upon similar principles the river Tisza was taken as a basis for the southern frontier of Carpathian Ruthenia.

Already during the war the Ruthenian leaders had begun to consider the question of their future political allegiance. The Ruthenians living in America, declared themselves in favour of union with the Czechoslovak State, and this attitude was also adopted by the Ruthenians at home. The Peace Conference at Paris approved of their decision, so that Carpathian Ruthenia forms an autonomous part of the Czechoslovak Republic. The Czechoslovaks accepted this resolution, for under the prevailing conditions there was no other alternative. Any attempt to leave the territory in the hands of the Magyars would have met with violent opposition from all the Ruthenians, while to unite it with the Ukraine, either independently or within the confines of a future federative Russia, would have meant exposing the country to further chaos and upheaval. Thus, this solution had the additional advantage of providing the Czechoslovak State with no small share in the consolidation of Central Europe.

This task involved many difficulties, for it was not merely a question of administrative and economic reconstruction, but it included also the necessity for uplifting a nation which, though possessing great abilities, had become materially and morally impoverished. The status of Carpathian Ruthenia was adjusted by the legislative constitution of the Czechoslovak Republic in accordance with the terms of the Peace Treaties. By virtue of the treaties, Carpathian Ruthenia possesses the maximum of autonomy compatible with the unity of the Czechoslovak Republic. It is to have a special Diet vested with jurisdiction over linguistic, ecclesiastical, educational and other matters which are referred to it by the Czechoslovak parliament. At the head of the State is a Governor appointed by the President of the Czechoslovak Republic who is assisted in his duties by a Vice-Governor and a number of commissioners, each of whom is in charge of a special department. In legislative affairs they have a Council comprising sixteen members, four of whom are nominated, the remainder being elected by the municipalities.

Czechoslovakia's endeavours to transform Carpathian Ruthenia into

a region capable of its own administration met with a number of serious obstacles as the Magyar Government had left the country in a state of intellectual and economic bankruptcy. Owing to the Magyarisation of all the Ruthenian schools, a process which had begun shortly after the introduction of Austro-Hungarian dualism in 1867, there was a very large percentage of illiterates. In 1871 Carpathian Ruthenia still possessed 353 schools in which Ruthenian was the language of instruction, but this number rapidly grew less, so that in 1914, the Ruthenians did not have a single Government school of their own. Ruthenian children were obliged to attend Magyar schools, supported by the State. The Ruthenians themselves possessed only eighteen schools which they maintained from their own private resources. Careful and unremitting action was necessary to remedy this low educational standard. In spite of the fact that there was a critical shortage of teachers, considerable success has already been achieved with the help of Czech teachers. During the two years of its administration in Carpathian Ruthenia, the Czechoslovak Government has established and maintained 10 secondary schools, 1 municipal commercial school and 447 elementary schools. The number of schools provided for the Magyar minority corresponds to the proportion of Magyar inhabitants. In addition to the above, three higher secondary schools and three training colleges for teachers have been established and maintained.

The former lack of education involved also economic backwardness and poverty of the country. It was accompanied by alcoholism, and it represented the most serious obstacle to any progress. Under these conditions the task of the Czechoslovak Republic was extremely difficult. It was necessary to replace some of the corrupt Magyar officials by honest and reliable authorities, and this could be accomplished only by a gradual process, and with the co-operation of Czechoslovak intellectuals. Only by a good administrative system was it possible to imbue the people with respect for the laws and their fellow-citizens. Thus the administration is at the same time the source of incisive economic and social reforms, without which the country would be doomed to continual stagnation.

Carpathian Ruthenia is an agricultural country possessing only very inconsiderable industries. As however this agriculture is carried on only in a primitive fashion, and consists mainly in the care of cattle on the mountain pastures, its produce is inadequate for the support of the population. Under the Magyar regime no attempt was made to improve the standard of agriculture. On the contrary, the greater part of the landed property was kept under the ownership of great landed proprietors. As the peasants were unacquainted with any scientific system of management, they also fell into debt, and the resulting economic chaos

led to their wholesale emigration. In order to cope with these difficulties, the Czechoslovak Government has entered upon a scheme for the gradual distribution of land. The forests, which are the source of great natural wealth to Carpathian Ruthenia, are also being administered on a large scale. In this way, an increasing number of people will be supplied with a means of livelihood, while at the same time it will be possible to achieve a systematic development of the timber trade, and apply the forest resources to the extension of industries. The new administration is also endeavouring to effect an immediate increase in the agricultural yield by improving the methods of cultivation. This will help to free the peasantry from debt, and to make the country self-supporting. It will be even possible to develop an export trade which is already being carried on with fruit, wine and potatoes, of which there is a surplus. An important task which will be carried out in the future consists of employing the natural resources of the Carpathians, and the water-power for the purposes of electrification and industries. In many localities there have already been founded small technical schools which will become the centres for developing the future industries of Carpathian Ruthenia. The struggle against social misery, alcoholism and tuberculosis is being carried on by the Government and various philanthropic societies with gratifying results.

Thus, Carpathian Ruthenia, which was hitherto unknown to the world as a separate country, has entered the ranks of free nations, and is rapidly developing towards the stage when it will be fully capable of autonomy. Within a very short time there is to be a session of its own Parliament, the elections having already been announced. It will be the task of this Parliament to solve the problems which go to the very roots of the national life. And in whatever manner they are dealt with, their solution will be the work of the Ruthenians themselves.

VIII. SOCIAL AND LABOURS PROBLEMS.

The war, which revolutionised the minds of the working classes in almost every country, undoubtedly also exercised some influence on the Labour movement in Czechoslovakia, in spite of the fact that in this country the Labour movement has always had a tendency towards social reform. The constant work of the Czech Labour leaders in the trade unions and political organisations, and their dealings with the immediate grievances of the working classes, taught them to take a reasonable view of the possibilities of economic and social developments. Consequently the Czechoslovak Labour movement was rather of a practical character, approximating to the spirit and methods of the Labour

movement in Great Britain. Thus it was very natural that the Czech and Slovak Socialist parties took part in the formation of the first Government of National Concentration, and greatly contributed to the consolidation of the newly established State. It was owing to this collaboration that the first National Assembly was able to achieve incisive social reforms such as the Agrarian Land Reform, the Levy on Capital, a legal eight hours' working day, to elaborate a very democratic constitution etc. without any revolutionary upheavals whatever.

In addition to the Communists, who in May last constituted a party of their own, there are at present three Socialist parties in Czechoslovakia. The oldest established is the Social Democratic Party, then comes the Socialist Party (formerly National Socialist) and finally the Progressive Socialist Party founded in May, 1919 through the secession of two men, Modráček and Hudec, from the Social Democratic Party. All these parties, with the exception of the Communists, constitute a constructive force in Czechoslovak politics, and have supported the State since the very beginning of its establishment. They have pursued a moderate policy, not only in order to consolidate the Republic, but also to prevent the possibilities of political and social reactions such as those which have taken place in Hungary and in Bavaria. They have endeavoured rather to adjust the revolutionary tendencies of the day with salutary effect to the course being pursued by modern human society. It was in this spirit that the Social Democratic party decided on April 29, 1920, by a majority of four-fifths, to continue to participate in the Government, and expressed its approval that M. Tusar, one of the leaders of the party, should accept the invitation of the President to reconstruct the Cabinet. At this conference it was stated clearly that the party cannot indulge in Communist experiments, and thus run the risk of forfeiting the results of its long struggles.

But as in other countries, so too in Czechoslovakia the Communist agitation directed from Moscow did not remain without results. The intention of Moscow was to split up the Socialist movement everywhere. Although the Czechoslovak Social Democrats zealously guarded the unity of their party, yet the Communist agitation finally succeeded in breaking it up. It was in the second half of the year 1920 that a split in the Social Democratic party occurred, the party being divided into a "right" and a "left" wing, the latter of which follows Communist views.

The Moscow Communists did not content themselves with splitting up the Social Democratic party, but continued their revolutionary agitation which, in the middle of December, 1920, resulted in considerable disturbances. The Communists took advantage of their dispute with the Social Democrats over a building and printing offices of the "Právo Lidu" in order to bring about a "second" revolution for which they thought

Czechoslovakia ripe. In this they made a great mistake. The general strike which the Communists proclaimed was very far from being "general". Only a very small percentage of workmen followed the Communist orders. Prague, the capital, preserved its normal busy appearance and the same applies to all the chief provincial towns, excepting Kladno, where the strike assumed great proportions. The authorities had no difficulty in maintaining order and in suppressing disturbances which occurred at some places. The strike, however, had one good result, in that it revealed the weakness of the Communist movement, and that it demonstrated clearly that the Bolshevik doctrines were foreign to the Czech mind. It was clear that the Czech workers do not want sovietism established in Czechoslovakia.

The Social Democrats, as well as the Trade Unions, firmly opposed the Communist strike, and supported the state authorities in maintaining order. Thus the strike was bound to fail, as it actually did fail, in the course of a few days. The Social Democrats in declaring themselves against the Third International and against the Communist schemes have proved once more that they constitute a constructive force in Czechoslovak politics. In a resolution passed at their congress in November of last year it is stated that they see no reason why they should substitute a dictatorship of the proletariat for the tactics of democratic parliamentarism, nor any reason why they should abandon their independence in order to place it at the mercy of the Moscow Third International.

IX. ECONOMIC AND FINANCIAL POLICY.

Czechoslovakia is mainly an industrial State. This applies particularly to Bohemia, Moravia and Silesia; while Slovakia and Carpathian Ruthenia comprise mainly agricultural territories. Of the whole population in Bohemia, Moravia and Silesia, $3\frac{1}{2}$ millions were in 1910 engaged in agriculture, and over $5\frac{1}{4}$ millions were occupied with industries and trade. In Slovakia and Carpathian Ruthenia there were $2\frac{1}{2}$ millions engaged in agriculture, while about 1 million were occupied with industries and trade. According to the statistics compiled in 1913, the present Czech territories comprised 72 per cent of all the Austrian industries, and contained 66 per cent of the total number of workmen. In the same way, the greater part of the industries of former Hungary was concentrated in Slovakia, in spite of the preponderantly agricultural character of that region.

The conditions for the development of industry in the Czechoslovak Republic are extremely favourable. Agriculture attains a very high level, and this applies particularly to industrial produce such as sugar-beet,

etc. Then there is an abundance of forests, while the country is very rich in coal and various minerals. The pre-war output of coal on an average amounted to 12½ million tons of pit-coal and 22½ million tons of brown coal. The pre-war output of iron amounted to nearly 2 million tons annually, but as this quantity is not sufficient to satisfy the requirements of the Czechoslovak iron industry, a great deal of ore is imported from abroad, especially from Sweden. Similarly it is necessary for the extensive development of other industries to derive considerable portions of their raw materials from abroad.

At the end of the war Czech agriculture and industries were in an exhausted condition. The industries in particular were suffering through the absolute lack of raw materials and all the resources of manufacture. The output of coal had declined, and transport was held up through the insufficiency of engines and railway carriages. At the outset a large quantity of foodstuffs and raw materials had to be imported under conditions which, owing to the rate of exchange, were most unfavourable. On the other hand, the export trade had to contend against serious transport difficulties due to the inadequate transport connections with abroad. Moreover, the Czechoslovak export trade suffered as a result of the unstable rate of exchange, which caused a considerable increase of risk both in the case of imports and exports. The apparent advantage accruing to the export trade as a result of the low rate of exchange was only transitory.

At present, however, most of these obstacles, both as regards the supply of raw materials, as well as transport facilities, have been overcome. Moreover, there has been a considerable improvement in the industrial situation, and the future outlook appears very satisfactory. The improvement in the situation was brought about largely by the settlement of disputes concerning wages and other matters, which were amicably arranged by the organisations representing the interest of employers and workmen respectively.

Czechoslovakia, being an inland country, has to rely to a large extent upon the facilities for transport by water on the Elbe and Danube. In consequence of these geographical conditions, the chief markets for its goods must necessarily be found in the south and east, i. e. in the countries formerly constituting the Austro-Hungarian monarchy, the Balkan countries and those of the nearer east, together with Poland and Russia, which latter, when their political conditions have become stable, will be extremely important to Czechoslovakia, both for the import of foodstuffs and raw materials, as well as for the export of finished products.

In view of the fact that Czechoslovakia depends so largely upon its export trade, the Czechoslovak Government has ever since the collapse of Austria endeavoured to resume the regular trade relationships with

foreign States. So far, trade agreements have been concluded with Bulgaria, France, Germany, Italy, Jugoslavia, Roumania and Switzerland, while negotiations for the same purpose are being carried on with Great Britain, Poland, Hungary and other countries. In addition, special compensatory agreements for the interchange of goods on mutually advantageous terms have already been concluded with Poland and Austria. The result of the trade agreements has been a gradual decontrol of imports and exports. During the early transitory period this government control was necessary both for financial-political reasons, and also for the protection of Czechoslovak industries. The gradual decontrol of foreign trade will lead to normal conditions, under which there will be an almost entirely unrestricted import and export trade. It will be necessary to retain only the customs duties which, as in other countries, will have to be adapted to the altered economic conditions and the change which has taken place in the industrial situation.

As regards Czechoslovakia's financial position, it is interesting to see that in the Budget for 1921 the revenues were estimated at 14.130 million crowns, the expenditures at 13.843 crowns, so that there is a credit balance of 287 million crowns. In this respect Czechoslovakia is the first State in Central Europe which can show a success of this kind. The reason for this is that Czechoslovakia from the very beginning of its existence has aimed at keeping up the value of its currency, and in particular at avoiding an increase in the circulation of paper money. Thus, for instance, from the beginning of January to the middle of April of the present year the circulation of paper currency was reduced from 11.047 million to 10,594 million crowns. In computing the devaluation of the currency as compared with the gold standard, it is necessary to consider whether any such devaluation has here taken place. The Czechoslovak Republic took over the paper-money which had been circulated by the Austro-Hungarian Bank, and replaced it by a paper currency of its own. The relation between this paper currency and a gold standard has never been fixed, nor has the obligation of payment in gold ever been defined by statute. Seeing that no gold currency standard exists, it is impossible to speak of a devaluation of a currency in its relation to gold. The Czechoslovak crown, being the sole legal tender in the country, has a definite value, but it is not a substitute for gold, such as the American paper dollar, for example.

It must further be pointed out that the situation in the Czechoslovak Republic is quite different from that in Germany, for instance, where the present financial policy either deliberately, or under the pressure of circumstances is inevitably leading to a disaster in the State finances, but at the same time is enriching individual persons, from whom the State does not demand any considerable sacrifices, and who, as a result,

can produce and export more cheaply. The great difference in the conditions prevailing in the Czechoslovak Republic and Germany respectively, may be seen by a comparison of the railway rates, the prices of coal, the coal tax and the whole system of taxation in general, for in order to attain equilibrium in the budget, and to prevent inflation of the circulating medium, the Czechoslovak Republic has imposed heavy sacrifices upon its trade and industries.

X. FOREIGN POLICY.

The foreign policy of Czechoslovakia is directed by Dr. Eduard Beneš, who during and since the war sprang into prominence as the chief collaborator of President Masaryk. Dr. Beneš is considered as one of the ablest statesmen, not only of Czechoslovakia, but of all Central Europe. Born in 1884, he studied at the Universities of Prague, Paris and Dijon where in 1908 he took his degree as Doctor of Laws. Upon his return to Prague he was appointed teacher of economics at the Czech Academy of Commerce, and in 1912 he became lecturer in sociology at the Czech University.

A year after the outbreak of the war, Dr. Beneš escaped to France, where he, in collaboration with Professor Masaryk, developed great activity on behalf of the Czechoslovak independence. He became secretary of the Czechoslovak National Council, which was later recognised as the provisional Government of the Czechoslovak State. After the declaration of Czechoslovak independence in October, 1918, Dr. Beneš became Minister for Foreign Affairs. Together with Dr. Kramář he represented Czechoslovakia at the Peace Conference in Paris, where his abilities as a statesman made a great impression, and secured for his country the conditions essential to its existence.

The aim of Dr. Beneš's foreign policy in the last three years has been to create the necessary stability in Central Europe, and to lay the foundations for the real tradition of Czechoslovak foreign policy. That is why he systematically endeavoured to dispose rapidly of the separate conflicts with which he met, and to solve the questions which still awaited solution. And that is also the reason why Dr. Beneš consistently furthered the establishment of relationships with the individual neighbouring and remoter states, such as Austria, Jugoslavia, Italy and Rumania, and that too is why in every possible way he encouraged the conclusion of commercial and economic agreements.

This policy led to the formation of the so-called Little Entente between Czechoslovakia, Jugoslavia and Rumania. The Little Entente at first consisted of a political and military alliance between Czechoslovakia

and Yugoslavia, and an understanding with Rumania. On April 23rd, of this year, however, this understanding between Czechoslovakia and Rumania had assumed the character of a definite political and military treaty, the conclusion of which formed the logical and definite completion of the Little Entente.

This alliance between Czechoslovakia, Yugoslavia and Rumania is not only a political one, but it has also a great economic importance in view of the fact that it constitutes an economic area which is almost self-supporting from both agricultural and industrial points of view. As a matter of fact these three States supplement each other admirably. While the Czechoslovak Republic is predominantly an industrial State which needs foreign markets for its products, both Yugoslavia and Rumania are, on the other hand, almost exclusively agricultural States exporting grain, cattle and raw materials.

The Little Entente has already played a great part in frustrating the projected Royalist coup in Hungary which took place at the end of March this year. Immediately on hearing of Karl's return, the Czechoslovak, Yugoslav and Rumanian representatives at Budapest demanded an explanation from the Magyar Government, and the immediate expulsion of Karl from Hungary. Later on Dr. Beneš, on behalf of the Little Entente, informed the Magyar Government that unless the ex-King at once left Hungary, united action was contemplated by all the States concerned. Karl at once decided to leave Hungary. Thus the Little Entente has proved that it was a powerful organisation, and that it would be a difficult task to restore the ramshackle Empire on whose ruins the Little Entente is built.

Just before ex-King Karl's coup, the relations of Czechoslovakia with Hungary showed a tendency towards a genuine rapprochement. In a speech made on January 27th of this year, Dr. Beneš stated explicitly that the Czechoslovak Government was "ready to discuss all urgent questions with the Magyars". He suggested that the Magyars should cease to carry on their insensate propaganda against their neighbours and that any Magyar tendencies towards democratic principles would considerably facilitate the desired rapprochement between the two States. He ended by dwelling upon the necessity of such proceedings from an economic point of view. "We cannot", he declared, "live in perpetual enmity with the Magyars. There are questions of communications, transport and exchange which it is urgent to adjust for the purpose of consolidating Central Europe and resuming normal economic activities".

Soon after Dr. Beneš made the above quoted speech, a meeting took place between him and Count Teleki, then Magyar Premier, to discuss the resumption of economic intercourse. It was decided to transform the diplomatic missions into normal diplomatic representations, and

to convene a conference of experts to conclude the economic negotiations. However, owing to Karl's escapade these negotiations were held up, but lately they have been resumed.

The transformation of Hungary remains, however, an essential condition for the relief of Central Europe. The present militarist, absolutist and terrorist system prevailing in Hungary, by which all political liberty is rendered impossible, forms a serious obstacle to such a transformation.

Czechoslovakia's relations with Austria are assuming a friendly character. The Czechs are fully disposed to forget their former wrongs, and instead of indulging in recriminations are prepared to consider the necessity for economic co-operation. In accordance with the Allied policy the Czechoslovaks have shown a sincere desire to help Austria in her economic stress to the best of their ability. In this connection the visit of Dr. Renner, former Austrian Chancellor, to Prague, as well the recent meeting of President Masaryk with the Austrian President, Herr Heinisch, will be remembered. Czechoslovakia has also concluded a commercial treaty with Austria.

The outstanding questions connected with the liquidation of the former Austro-Hungarian Monarchy were dealt with by the conference of the "succession" States held in Rome. Other questions regarding the resumption of normal economic intercourse among the Central European States are to be dealt with by another conference. Czechoslovakia from the very beginning was in favour of such economic conferences. Already on March 8th of this year Dr. Beneš declared that it is by this means that transport communications will be restored to normal conditions, and that the exchange of goods and the general economic activities of the Central European States will be facilitated.

Czechoslovakia and Poland as immediate neighbours have many common interests, both political and economic. Not only are the German aggressive schemes not yet extinct, — a fact which induces or should induce the Czechoslovaks and Poles to act together, — but both these Slav States have great common economic interests. Czechoslovakia as a pre-eminently industrial State, and Poland as mainly agricultural are in a great many respects dependent on each other. That the Poles and Czechoslovaks are not yet on friendly terms is owing to the dispute they had over the Teschen district, to which both the Czechoslovaks and the Poles laid claim. This dispute, it will be remembered, was settled in July, 1920, by the Ambassadors' Conference at Paris. But although the decision of the Ambassadors' Conference was just to both sides, and in spite of the signed declaration issued by Dr. Beneš and M. Grabski, then Polish Minister for Foreign Affairs, stating that they had decided to accept a final settlement of the Teschen dispute by the Ambassadors' Conference, the differences between the two States have not altogether

disappeared. "The starting point of truly cordial and friendly relations between the Polish Republic and Czechoslovakia" which the above declaration was assumed to be, has not as yet been reached. In this connection it should be pointed out that while the Czechoslovaks have resolved to sink all their possible differences with the Poles, and to inaugurate friendly relations, the Poles on their part have appeared somewhat reluctant to follow their example, although it is lately becoming evident that they are at last realising the necessity for friendship with Czechoslovakia.

It is certain that this Czecho-Polish friendship would not only benefit both Slav States immediately concerned, but it would also greatly contribute towards ensuring peace and stability for Central and Eastern Europe. An agreement between the Poles and Czechoslovaks would be welcomed not only in France, but indeed by all the Allies.

The relations between Italy and Czechoslovakia have always been friendly. Already during the war Italy as well as France showed great interest in the Czechoslovak movement for independence, she equipped the Czechoslovak legionaries who fought side by side with the Italians, and finally she accorded generous treatment to those Czechoslovak legionaries who returned from Siberia via Triest. These considerations of sentiment have been reinforced by economic relations and commercial treaties which were concluded in Rome as a result of the visit of Dr. Beneš to the Italian capital. Moreover, an agreement was arrived at concerning the use of Trieste, which is admirably adopted for Czechoslovak commerce, and serves as the Czechoslovak outlet on the Mediterranean, similarly as Hamburg serves Czechoslovakia as an outlet to the North Sea. Before Dr. Beneš's journey to Rome it was believed in some circles that Italy would join the Little Entente. But there was only a question of common and analogous views on Central European affairs between Italy and the Little Entente. Italy, like the Little Entente, is interested in preventing the restoration of the Habsburg Dynasty, whether in Hungary, or in Austria, in maintaining the treaties of St. Germain and Trianon, and in restoring normal commercial relations in Central Europe.

As regards the relations with Germany, Czechoslovakia desires them to be established on good neighbourly terms. They are conditioned by the geographical proximity of the two States, and by the economic intercourse which Czechoslovakia has inherited from the Austrian period. There would, perhaps, be no circumstances tending to estrange these two States if they were not artificially created. Unfortunately, there is a certain group of pan-Germans who through Germany and the German Press are doing their utmost to damage the Czechoslovak State, to lower its prestige, to misrepresent the conditions prevailing in Czechoslovakia,

and thus to exert upon her a certain international pressure. Consequently the Czechoslovaks are bound to watch the inner development of that country and its progress towards democracy. They are endeavouring to find out what the relations between Germany and the Western Powers, as well as Poland and Russia, are likely to be in the future.

Czechoslovakia's relations with Great Britain and France are of the best, and it is hoped that they always will be so. Both England and France will always be important factors in Central European politics and European stability, and hence it is a question of great importance for the Czechoslovak State to have English and French sympathies. The same moreover applies to America.

An important factor in the stability of Czechoslovakia, and indeed the whole of Central Europe, is the attitude towards Russia. This question will be especially difficult as long as Russia is still not united and consolidated. The Czechoslovaks, though convinced that the Communist régime will ultimately fail, never set any particular hopes in Kolitchak, Denikin or Wrangel. They never attached any decided importance either to their victory or defeat, or to whether Denikin and Wrangel were reactionaries or not. From the Czechoslovak point of view, the problem always was whether Denikin and Wrangel were people capable of realising what it means to build up a State, and whether they realised the spirit of modern democracy as applied to the problems of Russia. Dr. Beneš therefore adopted a far-sighted attitude towards Russia. He opposed intervention, and was in favour of restarting trade, though he was always sceptical as regards the possibilities of doing much trade with the Bolsheviks. It is, however, certain that affairs in Central Europe will not achieve permanent stability until the whole of Russia is newly established under a democratic régime. Then, too, a definite tendency for a Slavonic policy will be indicated.

There is another important factor which the Czechoslovaks do not forget. It is the League of Nations. The Czechoslovaks are well aware that the Central European States in their own interest must apply all their energy to the idea of the League of Nations, and must support it with the utmost determination. This will supply them in advance with the fundamental tendency of their policy, — an endeavour on behalf of European peace. The idea of the League of Nations, and the policy which will consistently be based upon the principles of the League, will be one of the great factors which will contribute so essentially towards consolidating and stabilising the Central European States. To pursue a common policy with the League of Nations, to cherish sympathies for the League of Nations, and in general to arouse public opinion to a large humane movement on behalf of the principles of the League of Nations, will represent an extraordinarily powerful asset to the Czechoslovak

State in its international situation. To have the certainty that the League of Nations is advancing will decidedly be one of those factors which will enormously strengthen the stability of the Czechoslovak State, and indeed, all the Central European States.

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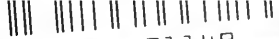
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